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INTERSTATE COMMERCE COMMISSION

[~~CONFIDENTIAL COPY~~]
S&L FLY LEAF

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

TO

THE HANOVER BANK

AND

DANIEL K. CATLIN,

TRUSTEES.

Supplemental Indenture

Dated as of July 1, 1960

Supplemental to Prior Lien Mortgage, dated January 1, 1922.

THIS SUPPLEMENTAL INDENTURE, dated as of July 1, 1960, by and between MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, a corporation of the State of Delaware (hereinafter sometimes referred to as the "Delaware Company"), party of the first part, and THE HANOVER BANK, a corporation of the State of New York, as Corporate Trustee, and DANIEL K. CATLIN, of the City of St. Louis, State of Missouri, as Individual Trustee (said Trustees being hereinafter collectively referred to as the "Trustees"), parties of the second part.

WHEREAS, the former Missouri-Kansas-Texas Railroad Company, a corporation of the State of Missouri (hereinafter referred to as the "Missouri Company"), heretofore duly executed and delivered to the Corporate Trustee (under its then name of Central Union Trust Company of New York) and to the Individual Trustee its Prior Lien Mortgage dated as of the 1st day of January, 1922 (hereinafter referred to as the "Mortgage"), as heretofore supplemented, under which \$250,000,000 principal amount of Prior Lien Bonds were authorized to be issued and under which certain series of Prior Lien Bonds, to wit, Series A, B, D, E, and F, have been issued and, in the aggregate principal amount of \$58,859,754, are outstanding in the hands of the public or are subject to pledge or have been held in the treasury of the Missouri Company, said Mortgage being filed for record, among other places, in the Mortgage Records of the City of St. Louis, State of Missouri, Book 3815, at page 69, on June 7, 1923; and

WHEREAS, on July 1, 1960 (hereinafter referred to as the "effective date of the consolidation"), the Missouri Company was consolidated pursuant to an Agreement and Plan of Consolidation dated as of June 12, 1959 (the Agreement as modified to accord with the Report and Order of the Interstate Commerce Commission hereinafter mentioned being hereinafter referred to as the "Agreement" and said consolidation pursuant to the Agreement being hereinafter referred to as the "consolidation") with Missouri-Kansas-Texas Railroad Company of Texas (hereinafter referred to as the "Texas Company") and Missouri-Kansas-Texas, Inc. to form the Delaware Company; and

WHEREAS, the Delaware Company in accordance with the provisions of Article Three, Section 1(a) of the Mortgage, desires by this instrument expressly to subject to the lien of the Mortgage the lines of railway and real and other property formerly belonging to the Texas Company and acquired by the Delaware Company pursuant to the consolidation and to make and deliver further assurances for the purpose of expressly and specifically subjecting after-acquired property of the Delaware Company to the lien of the Mortgage as hereinafter set forth; and

WHEREAS, the Delaware Company, in accordance with the provisions of Article Thirteen of the Mortgage, desires by this instrument expressly to assume the obligations referred to therein, and to furnish additional security for the existing indebtedness (herein assumed) of the Delaware Company to the holders of all bonds issued pursuant to said Mortgage as evidenced by Prior Lien Bonds in the aggregate principal amount of \$58,859,754, above referred to; and

WHEREAS, the consolidation of all the properties and franchises of the Missouri Company and the Texas Company into the Delaware Company has been authorized by the Interstate Commerce Commission in its Report dated March 28, 1960 and Order dated May 31, 1960 in Finance Docket No. 20751, and the assumption by the Delaware Company of obligation and liability in respect of Prior Lien Mortgage Bonds, has likewise been authorized by said Commission in said Report and Order;

NOW, THEREFORE, in order further to secure the payment of all bonds at any time issued and outstanding under the Mortgage according to their tenor, purport and effect, as well the interest as the principal thereof, and to secure the performance and observance of all the covenants and conditions contained in the Mortgage as heretofore supplemented by any and all supplemental indentures and in consideration of the premises and of the sum of One Dollar (\$1.00) paid by the Trustees to the Delaware Company, receipt whereof is hereby acknowledged, the Delaware Company as successor to the Missouri Company and the Texas Company has executed and delivered this Supplemental Indenture for the purposes aforesaid and the Delaware Com-

pany has granted, conveyed, transferred, assigned, set over and delivered and does hereby grant, convey, transfer, assign, set over and deliver to the Trustees, their successors in the trust and assigns for the purposes aforesaid, the hereinafter described property, and the Delaware Company does hereby expressly subject to the lien of the Mortgage for the purposes aforesaid with the same force and effect as though said property were specifically included and described in the Granting Clauses of the Mortgage:

(A)

ALL of the lines of railway of the Texas Company and all other properties and assets, real, personal and mixed, tangibles and intangibles, wheresoever situated, heretofore owned by the Texas Company, or which the Texas Company may hereafter acquire or which may accrue to it, including, but not limited to the following described property situated within the State of Texas, namely: All and singular the properties, assets, privileges, franchises, business, and good will of the Texas Company, rights of whatsoever kind or nature of the Texas Company, wheresoever situated, and any and all property, real, personal or mixed, tangible or intangible, which the Texas Company has heretofore owned or which it may hereafter acquire or which may accrue to it, including but not limited to that situated in the Counties of Austin, Bastrop, Bell, Bexar, Bosque, Caldwell, Callahan, Childress, Clay, Collin, Collingsworth, Colorado, Comal, Comanche, Cooke, Dallas, Denton, Erath, Ellis, Eastland, Falls, Fannin, Fayette, Fisher, Fort Bend, Grayson, Harris, Hamilton, Hays, Hill, Hunt, Johnson, Jones, McLennan, Montague, Rains, Rockwall, Shackelford, Tarrant, Travis, Waller, Wichita, Williamson, and Wood, State of Texas, including particularly, but without limiting the generality of the foregoing, all real estate, real property, and interest of every kind in real property, whether legal or equitable, vested or contingent; all oil, gas and mineral leases, all mineral rights and all other interest in land or minerals, all royalty, overriding royalty and all other interests payable out of production, mineral or otherwise; all rights of way, easements, permits, servitudes and licenses; all buildings, including office buildings, warehouses, stations (freight and passenger) dwelling houses and other structures; all locomotive, car or other shops; all powerlines, telephone

and telegraph lines and communication equipment and facilities; all locomotives, cars and other rolling stock; all automobiles, trucks, and other vehicular equipment; all office furniture, fixtures, supplies, chattels, tools, machinery and equipment; all contracts, agreements, and leases of every kind and character, and rights and interests in or under contracts, agreements, licenses and leases, including particularly, but without limitation, trackage, user, operating, private track, terminal, joint facility, joint agency, and interlocking; and also any and all leaseholds, rights, franchises, privileges and immunities thereto belonging, and more particularly the following described lands, rights of way and lines of railroad, including all yards, terminals, stations, ordinance rights, gravel and ballast pits, and reservoirs constituting a part of the line of railroad heretofore owned by the Texas Company, including particularly, but without limiting the generality of the foregoing:

1. A line of railway commencing at a point on the boundary line which divides the State of Texas from Oklahoma on the South bank of the Red River about five miles north of the City of Denison, in Grayson County, Texas, and running thence in a southerly direction through said City of Denison, in Grayson County, Texas; thence continuing in a southwesterly direction through said Grayson County, 29.75 miles, more or less (to a connection with the railroad of The Texas & Pacific Railway Company, at Whitesboro), and thence westerly to Gainesville, in Cooke County, Texas, a distance of 16.27 miles.

2. A line of railway, extending from a point of connection at Gainesville, in Cooke County, Texas, with the line described in Subdivision 1; westerly through said Cooke County, Montague County and Clay County to the City of Henrietta, in said last named county, a distance of 70.42 miles.

3. A line of railway extending from a point of connection with the line described in Subdivision 1 at Denison, Texas, in a southeasterly direction through the counties of Grayson and Fannin, to Greenville in Hunt County, Texas, a distance of approximately 51.08 miles.

4. A line of railway extending from a point of connection with the line described in Subdivision 3, in Greenville, Texas, thence southwesterly through the counties of Hunt, Collin, Rockwall and Dallas, to the City of Dallas, in Dallas County, Texas, a distance of 54.15 miles.

5. A line of railway extending from a point of connection with the line described in Subdivision 4, in the City of Dallas, Dallas County, Texas, through the counties of Dallas, Ellis and Hill to Hillsboro, in Hill County, to a point of connection with the line herein-after described in Subdivision 7, a distance of 66.17 miles.

6. A line of railway extending from a point of connection in the City of Dallas, Dallas County, Texas, with the line described in Subdivision 4, northwesterly through Dallas and Denton Counties, 36.50 miles, more or less, to a connection with the railroad of The Texas & Pacific Railway Company at Denton, Texas.

7. A line of railway commencing at Ft. Worth, in Tarrant County, Texas, and extending thence in a southerly direction through the counties of Tarrant, Johnson, Hill, McLennan, Falls and Bell, to Taylor, in Williamson County, Texas, a distance of 162.11 miles.

8. A line of railway commencing at a point of connection with the line described in Subdivision 7 in Taylor, Williamson County, Texas, and extending thence in a southerly direction through the counties of Williamson, Travis, Bastrop, Fayette and Colorado to Boggy Creek Tank (near Pisek, Texas) a distance of 89.03 miles.

9. A line of railway extending from a point of connection with the line described in Subdivision 8 at Smithville, in Bastrop County, Texas, westerly and southwesterly through the counties of Bastrop, Caldwell and Hays, all in Texas, 51.73 miles, more or less, to San Marcos, in said last named county.

10. A line of railway extending from a point of connection with the railroad of the International and Great Northern Railway Company, and with the line described in Subdivision 9, in or near the City of San Marcos, Hays County, Texas, southwesterly through said City of San Marcos, and through the counties of Hays, Comal

and Bexar to a point of connection with the rails of the San Antonio Belt & Terminal Railway Company near the City of San Antonio, in said last named county, a distance of 46.14 miles.

11. A line of railway extending from a point of connection with the line described in Subdivision 8 at Boggy Creek Tank through the counties of Colorado, Austin, Waller, Fort Bend and Harris, to and into the City of Houston, Texas, a distance of 76.02 miles.

12. A line of railway extending from a point of connection with the line described in Subdivision 7 at Granger, Williamson County, Texas, southwesterly through the counties of Williamson and Travis, 45.72 miles, more or less, to a connection in the City of Austin, Travis County, Texas, with the railroad of the Houston & Texas Central Railroad Company.

13. A line of railway extending from a point of connection with the line described in Subdivision 1 at Warner, Texas, southwesterly and westerly, northerly and westerly of the City of Denison, Grayson County, Texas, to a point of connection with said line described in Subdivision 1 at Ray, Texas, a distance of 4.80 miles, together with all terminals thereto appertaining in and around Ray, Texas.

14. A line of railway extending from a connection with the line described in Subdivision 1 at Denison, Texas, southerly through Grayson County, a distance of 10.62 miles, more or less, to Sherman, in said Grayson County, Texas.

15. A line of railway extending from a point of connection with the line described in Subdivision 7 at or near Echo in Bell County and running thence in a westerly direction to Belton in the same County, a distance of 7.14 miles, more or less.

And also all right, title and interest in and to the following lines of railway:

1. A line of railway, extending from a point of connection with the line described in Subdivision 7 supra, at Waco, Texas, thence through McLennan, Hill, Bosque, Hamilton, Erath, Comanche, Eastland, Callahan, Shackelford, Jones and Fisher Counties, to Rotan,

in said last named County, a distance of 268.14 miles, together with a branch line thereof from DeLeon, thence through Comanche, Eastland and Callahan Counties, to Cross Plains, in said last named County, a distance of 40.60 miles.

2. A line of railway, extending from a point of connection in the City of Henrietta, Clay County, Texas, with the line of railroad described in Subdivision 2 supra, thence through said Clay County to the City of Wichita Falls, in Wichita County, Texas, a distance of 18.02 miles.

3. A line of railway, extending from the City of Wichita Falls, in Wichita County, Texas, through said Wichita County to the South Bank of the Red River near Burkburnett, Texas, a distance of 16.61 miles.

And also all of Lot 5 and the W $\frac{1}{2}$ of Lot 6 in Block 41, and all of Lots 5-8, both inclusive, in Block 28/29, situated in the City and County of Dallas, State of Texas.

And also all of Block 1 in the Thomas J. Gazley Headright, City of Smithville, Bastrop County, Texas, save and except 0.047 acre, more or less, heretofore conveyed to the City of Smithville by deed dated September 13, 1947.

And also an undivided $\frac{1}{3}$ interest in Lot 4, Block 106, situated in the City of Greenville, Hunt County, Texas.

And also 1.7 acres, more or less, of land out of the Gertrudes Rodrigues Headright in Bexar County, Texas, described in a deed to the Texas Company from Lota M. Spell, and husband, J. R. Spell, dated December 16, 1955, of record in Volume 3797, pages 275-278 of the Deed Records of Bexar County, Texas.

And also 25.02 acres, more or less, of land out of the John Jackson Survey, Abstract No. 699, in Dallas County, Texas, described in a deed to the Texas Company from Annie L. Jackson, a femme sole, dated March 15, 1951, of record in Volume 3471, page 221, of the Deed Records of Dallas County, Texas.

And also 12.15 acres, more or less, of land out of the Thomas McCanne Survey, Abstract No. 959, in Dallas County, Texas, described in a deed to the Texas Company from A. D. Jackson, Jr., and wife Charlie Jackson, dated March 19, 1951, of record in Volume 3474, Page 53, of the Deed Records of Dallas County, Texas.

And also 20.92 acres, more or less, of land out of the Thomas McCanne Survey, Abstract No. 959, in Dallas County, Texas, described in a deed to the Texas Company from Maud E. Heffington, and husband, G. E. Heffington, and Ollie L. Chick, and husband, C. R. Chick, dated March 19, 1951, of record in Volume 3474, page 63, of the Deed Records of Dallas County, Texas.

And also 15.0 acres, more or less, of land out of the John Jackson Survey, Abstract No. 699, in Dallas County, Texas, described in a deed to the Texas Company from Tilden Fletcher, dated April 16, 1951, of record in Volume 3494, page 234, of the Deed Records of Dallas County, Texas.

And also 27.92 acres, more or less, of land out of the William D. Reed Survey, Abstract No. 1249, in Dallas County, Texas, described in a deed to the Texas Company from Ben C. Jackson and wife, Mattie Jackson, dated May 4, 1951, of record in Volume 3497, page 535, of the Deed Records of Dallas County, Texas.

And also 5.81 acres, more or less, of land out of the Benjamin Dye Survey, Abstract No. 415, in Dallas County, Texas, described in a deed to the Texas Company from Luscombe Airplane Corporation, dated May 9, 1951, of record in Volume 3510, Page 21, in the Deed Records of Dallas County, Texas.

And also 1.55 acres, more or less, of land out of the John Jackson Survey, Abstract No. 699, in Dallas County, Texas, described in a deed to the Texas Company from Annie L. Jackson, a femme sole, et al., dated April 27, 1951, of record in Volume 3497, page 533, of the Deed Records of Dallas County, Texas.

And also all of the land described in a deed from Wichita Falls and Wellington Railway Company of Texas to the Texas Company, dated June 19, 1959, and of record in Volume 148, page 238, of the Deed Records of Collingsworth County, Texas.

And also all of the land described in a Patent from the State of Texas to the Texas Company, dated April 28, 1941, and of record in Volume 3, page 356, of the Patent Records of Childress County, Texas.

And also all right, title and interest of the Texas Company to land of abandoned line of railway known as the Mineola Branch and located in Hunt, Rains and Wood Counties, Texas.

And also Lots 7 to 12 inclusive, Block 31, original City of Austin, Travis County, Texas.

And also Lots 7 to 12 inclusive, Block 32, original City of Austin, Travis County, Texas.

And also Lots 5 to 8 inclusive, Block 33, original City of Austin, Travis County, Texas.

And also Lots 5 and 6, except 9582 square feet of land conveyed to Smith Properties, Inc. by deed dated August 29, 1953, and Lots 7 and 8, Block 34, original City of Austin, Travis County, Texas;

and

(B)

ALL property hereafter acquired by the Delaware Company of the kinds referred to in the Granting Clauses of the Mortgage, but subject to any liens thereon existing at the time of such acquisition by the Delaware company or created in such acquisition; it being intended hereby that all references to the "Railroad Company" and property "hereafter" or "thereafter" acquired by the Railroad Company in the Granting Clauses of the Mortgage shall be deemed henceforth to mean the Delaware Company and property hereafter acquired by the Delaware Company.

SUBJECT, HOWEVER, to all existing liens and charges of record upon and against any part or parts of the trust estate and specifically but without prejudice to such general provision to the lien of the First Mortgage, dated June 1, 1890, made by Missouri, Kansas & Texas Railway Company to The Central Trust Company of New York (for which United States Trust Company of New York has since been substituted), as Trustee, to secure \$40,000,000 of 4% bonds, maturing June 1, 1990, of which \$23,177,500 principal amount are outstanding in the hands of the public, \$12,116,000 principal amount are pledged with the Trustees under the Prior Lien Mortgage, and \$2,000 principal amount have been held in the treasury of the Missouri Company;

IN TRUST, NEVERTHELESS for the common and equal use, benefit and security of all and singular the person or persons, firm or firms, bodies politic or corporate, who shall from time to time be holders of any of the bonds issued under the Mortgage or coupons and without preference of any of said bonds over any other or others of said bonds by reason of priority in time

of the issue or negotiation thereof or otherwise howsoever, subject to the terms, provisions and stipulations in the bonds contained and in the Mortgage as heretofore supplemented contained and as hereinafter contained in this Supplemental Indenture.

ARTICLE I.

Assumption of Liability.

The Delaware Company hereby assumes the due and punctual payment of the principal and interest of all the Prior Lien Bonds and the performance of all the covenants and conditions contained in the Mortgage as heretofore supplemented.

ARTICLE II.

Concerning the Trustees.

The Trustees hereby accept in trust the conveyance, transfer and assignment of the lines of railway and real and other property conveyed, transferred and assigned to them in trust by this Supplemental Indenture and agree to execute such trust upon the terms and conditions contained in the Mortgage as heretofore supplemented. The Trustee hereby also agrees to the assumption of obligation and liability by the Delaware Company as above set forth.

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the due execution thereof by the Delaware Company or for or in respect of the recitals contained herein, all of which recitals are made by the Delaware Company solely.

ARTICLE III.

Execution in Counterparts.

This Supplemental Indenture may be executed simultaneously in several counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, the party hereto of the first part, has caused this SUPPLEMENTAL INDENTURE to be signed and acknowledged or proved by its President or a Vice-President or the Chairman of its Executive Committee and its corporate seal to be hereunto affixed and the same to be attested by the signature of its Secretary or an Assistant Secretary and THE HANOVER BANK, as Corporate Trustee as aforesaid, one of the parties of the second part, has caused these presents to be signed and acknowledged or proved by its President or a Vice-President and its corporate seal to be hereunto affixed and the same to be attested by the signature of its Secretary or an Assistant Secretary, and DANIEL K. CATLIN, the other of the parties of the second part, has hereunto set his hand and seal, all as of the day and year first hereinabove written.

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

By W. N. DERAMUS, III

Attest:

JNO. G. PETERSON
Secretary

(CORPORATE SEAL)

THE HANOVER BANK, As Trustee

By J. T. HARRIGAN
Senior Vice-President

Attest:

E. F. RYAN
Assistant Secretary

(CORPORATE SEAL)

and

DANIEL K. CATLIN (L. S.)
DANIEL K. CATLIN *As Trustee*

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 1st day of July, 1960, before me, MAUDE M. O'CONNOR, a Notary Public in and for the County aforesaid, in said State, duly commissioned and qualified as such, personally appeared W. N. DERAMUS, III, by me known to be the identical person who subscribed the name of MISSOURI-KANSAS-TEXAS RAILROAD COMPANY, a corporation, to the foregoing instrument as its President, and by me known to be President of said corporation, who, being duly sworn, deposes and says that he resides at 1030 West 55th Street, Kansas City, Missouri; that he is President of said corporation, one of the parties described in and which executed the foregoing instrument; that he knows the seal of said corporation and that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of the Board of Directors of said corporation; and said W. N. DERAMUS, III hereby acknowledges that he executed said instrument as his free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses, purposes and considerations therein expressed.

In testimony whereof, I have hereunto set my hand and affixed my official seal at my office in said County and State the day and year last above written.

My term expires
March 30, 1962

MAUDE M. O'CONNOR
Notary Public.

(NOTARIAL SEAL)

MAUDE M. O'CONNOR
Notary Public, State of New York
No. 24-8190650
Qualified in Kings County
Cert. filed with New York Co. Clerk
Commission Expires March 30, 1962

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.:

On this 1st day of July, 1960, before me, DAVID C. ALTON, a Notary Public in and for the County aforesaid, in said State, duly commissioned and qualified as such, personally appeared J. T. HARRIGAN, by me known to be the identical person who subscribed the name of THE HANOVER BANK, a corporation, to the foregoing instrument as one of its Senior Vice Presidents, and by me known to be a Senior Vice President of said corporation, who being duly sworn, deposes and says that he resides at 23 Parkview Court, White Plains, New York; that he is a Senior Vice President of said corporation, one of the parties described in and which executed the foregoing instrument; that he knows the seal of said corporation and that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of the Board of Trustees of said corporation; and said J. T. HARRIGAN hereby acknowledges that he executed said instrument as his free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses, purposes and considerations therein expressed.

In testimony whereof, I have hereunto set my hand and affixed my official seal at my office in said County and State the day and year last above written.

My term expires March 30, 1962

DAVID C. ALTON
Notary Public.

DAVID C. ALTON
Notary Public, State of New York
No. 31-5062285
Qualified in New York County
Commission Expires March 30, 1962

(NOTARIAL SEAL)

STATE OF NEW HAMPSHIRE }
COUNTY OF CHESHIRE } ss.:

On this 6th day of July, 1960, before me, OSCAR F. CROTEAU, a Notary Public in and for the County aforesaid, in said State, duly commissioned and qualified as such, personally appeared DANIEL K. CATLIN, to me known to be the identical DANIEL K. CATLIN described in, and who, as one of the parties thereto, being duly sworn, deposes and says that he resides at 41 Westmoreland Place, St. Louis, Missouri, that he executed the within and foregoing instrument, and acknowledged that he executed the same as his free and voluntary act and deed for the uses, purposes and considerations therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal at my office in said County and State the day and year last above written.

My term expires February 28, 1965.

OSCAR F. CROTEAU
Notary Public

(NOTARIAL SEAL)